

REMARKS

In the Office Action, claims 8, 9, and 11-28 were allowed, and claims 1-7, 10, and 29-31 were rejected. Applicants thank the Examiner for allowing claims 8, 9, and 11-28. By this Reply and Amendment, claims 1, 4, 10 and 29 have been amended, and claims 1-31 remain pending in the present application. All claim amendments are fully supported throughout the description and figures of the specification. No new matter has been added.

Claim 10 was rejected under 35 USC 112, second paragraph, as being indefinite. Accordingly, claim 10 has been amended in light of the Examiner's comments, and the rejection is believed overcome.

Claims 1 and 3-6 were rejected under 35 USC 102(b) as anticipated by the Schultz reference, US Patent No.: 5,273,112. Applicants respectfully traverse this rejection, however independent claim 1 has been amended to clarify certain claim language and to facilitate allowance of the present application.

The Schultz reference describes a drilling system having a drill stem test string 22 and a high-pressure source 48 to circulate drilling fluids down through the well. An annulus pressure control system 46 is used to control the high-pressure applied down through the well. However, the reference does not disclose or suggest elements of amended, independent claim 1.

For example, the reference does not disclose or suggest "establishing a stability envelope on a processor-based control system and programming the desired region of operation within the stability envelope" in combination with adjusting "fluid production" to maintain the bottom hole flowing pressure "within the desired region" of the stability envelope, as recited in amended, independent claim 1. Accordingly, amended, independent claim 1 is patentable over the cited reference. Each of the claims 3 through 6 directly depends from independent claim 1 and is patentable for the reasons provided with respect to claim 1 as well as for the unique subject matter found in each of these dependent claims.

Claims 1, 3, 7 and 29-31 were rejected under 35 USC 102(b) as anticipated by the Birckhead et al. reference, US Patent No. 6,536,522. Applicants respectfully traverse this rejection, however independent claims 1 and 29 have been amended to clarify certain claim language and to facilitate allowance of the present application.

The Birckhead et al. reference describes an artificial lift apparatus and monitoring of conditions in and around the well so that adjustments can be made based on those conditions. The Birckhead et al. reference describes an apparatus 100 operated to artificially lift production fluid from a wellbore through a tubing string 55. A downhole casing pressure sensor 50a is used to monitor the pressure of the fluid column, and this pressure value is transmitted to a controller 25. Also, an upper casing pressure sensor 37 is used to measure pressure at the top of a casing 13. This pressure value also is transmitted to controller 25. The controller 25 determines the true height of fluid in the wellbore 18 and operates a pump 60 according to preprogrammed instructions that are typically based on historical data and formation pressure. Accordingly, the Birckhead et al. reference does not disclose elements of the currently pending independent claims 1 and 29.

For example, the reference does not disclose or suggest "establishing a stability envelope on a processor-based control system and programming the desired region of operation within the stability envelope" in combination with adjusting "fluid production" to maintain the bottom hole flowing pressure "within the desired region" of the stability envelope, as recited in amended, independent claim 1. Furthermore, the reference does not disclose or suggest means for "monitoring in real-time" a reservoir pressure and a bottom hole flowing pressure, or means for adjusting the ratio of bottomhole flowing pressure to reservoir pressure to maintain the ratio "within a specific region of the stability envelope" as recited in amended, independent claim 29. Accordingly, amended, independent claims 1 and 29 are patentable over the cited reference.

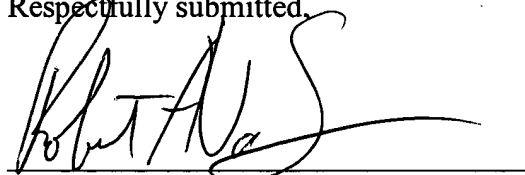
Also, claims 3 and 7 depend from claim 1, and claims 30-31 depend from claim 29. Accordingly, these dependent claims are patentable for the reasons provided with respect to

claims 1 and 29, respectively, as well as for the unique subject matter found in each of these dependent claims.

In view of the foregoing remarks, the pending claims are believed patentable over the cited references. However, if the Examiner believes certain amendments are necessary to clarify the present claims or if the Examiner wishes to resolve other issues by way of a telephone conference, the Examiner is kindly invited to contact the undersigned attorney at the telephone number indicated below.

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Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Robert A. Van Someren', is written over a horizontal line.

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